Morgan Lewis

Tamar E. Finn
Partner
+1.202.373.6117
tamar.finn@morganlewis.com

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Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

Re: WC Docket No. 16-143, WC Docket No. 15-247, WC Docket No. 05-25, RM-10593, Notice of Ex Parte Communication

Dear Secretary Dortch,

On October 18, 2016, James Butman, Group President of TDS Telecommunications Corporation ("TDS"), Matthew Loch, Vice President of Sales of TDS, Steve Pitterle, Manager Carrier Relations of TDS Metrocom and the undersigned met with Nicholas Degani, Legal Advisor to Commissioner Ajit Pai.

TDS Telecommunications Corporation ("TDS") has subsidiaries that operate as incumbent local exchange carriers ("LECs"), a competitive LEC ("CLEC"), and cable companies. TDS therefore can draw on years of actual market experience as a wholesale and retail provider and to compare the extent to which ILECs and CLECs can compete for business customers.

TDS CLEC provides integrated voice and data services to small and medium business customers in second and third tier markets in four primary states. Although in the past TDS CLEC successfully served customers using a mix of its own fiber transport and UNE Loops (mostly UNE DS-1s), its ability to continue to provide a competitive option is being threatened because it is not economical to build to the majority of TDS CLEC's SMB customers who increasingly demand higher bandwidth solutions yet still have an average monthly spend that will not justify a fiber build. Although TDS CLEC has attempted to serve customers using RBOC's wholesale Ethernet services, this approach for most of TDS

CLEC's potential or existing business is uneconomic because wholesale Ethernet rates from the RBOCs are notably higher than the RBOCs' retail Ethernet rates. The RBOC retail service often contains required network (*e.g.* transport) and more services (*e.g.*, Internet) than the wholesale service, as illustrated by the attached diagrams handed out during the meeting. Although the partner carrier's portion of the network facilities is only a part of the whole service, in TDS CLEC's experience, when the RBOC is the partner carrier, the RBOC charges more for its "piece" of the service than it charges its retail customer for the "whole" end-to-end service. This is contrary to TDS CLEC's pricing which offers a significant discount below retail to its wholesale customers and significant commissions to channel partners that market TDS CLEC's services. Without the availability of wholesale Ethernet last mile access priced meaningfully below RBOC retail, TDS CLEC will not be able to continue to offer a competitive choice in the second and third tier markets it serves and customers may lose the service, innovation, and price benefits multiple providers bring to SMB markets.

With reasonable wholesale rates, TDS CLEC will drive new capability and new investment. TDS CLEC itself will invest in endpoints, network electronics and VoIP infrastructure. TDS CLEC also will drive outside and inside plant investment by the RBOC both to serve TDS CLEC's wholesale demands and to compete against a second or third provider in the market. Each new fiber connection TDS CLEC orders helps the RBOC deepen their fiber penetration and enables the RBOC to offer fiber to additional customers. Reasonable wholesale rates for Ethernet fiber builds therefore would result in greater fiber penetration and increase SMB access to dedicated, high speed broadband services while at the same time permitting retail competition that can discipline retail rates. TDS CLEC therefore urged the Commission to adopt a strong wholesale-retail rule that makes clear RBOCs must offer wholesale Ethernet service at rates below the comparable retail service.

Respectfully Submitted,

/s/ Tamar E. Finn

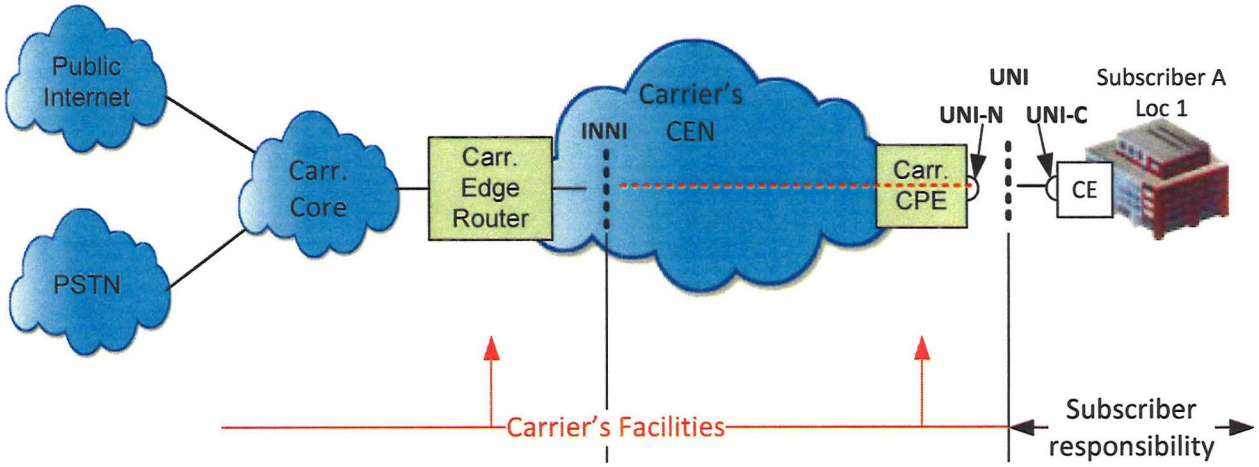
Tamar E. Finn

Counsel for TDS Telecommunications Corporation and TDS Metrocom, LLC

Attachment

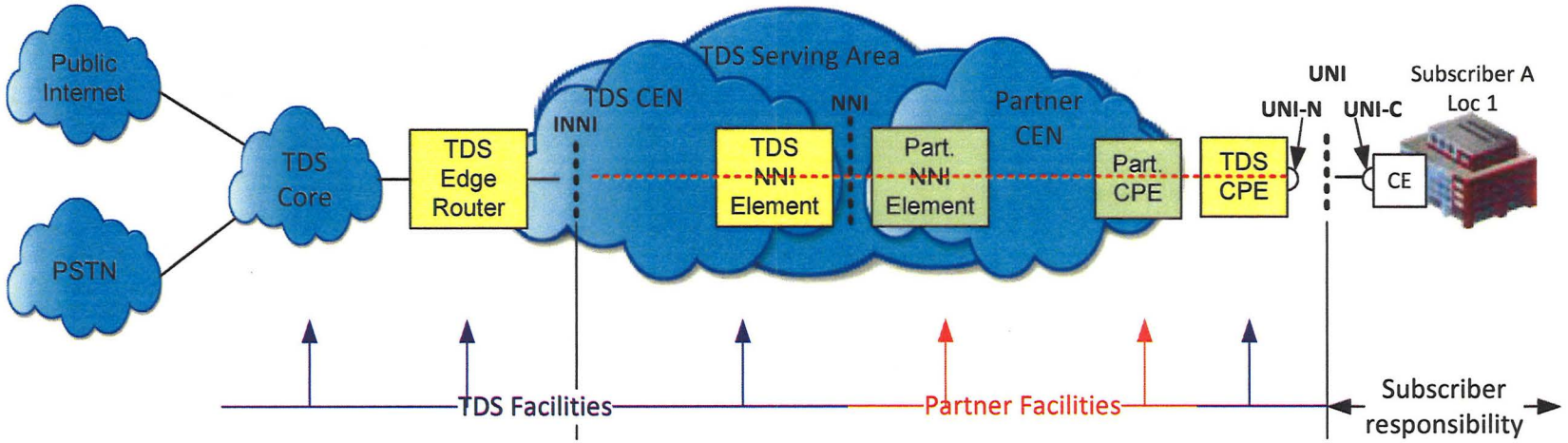
cc: (Via E-Mail)
Nicholas Degani

Carrier's Retail VoIP and/or Internet Subscriber served entirely by their Ethernet Access Network:



Key:
CE – Customer Equipment (generic)
CPE – Customer Prem Equipment
INNI – Internal Network-to-Network Interface
UNI – User-to-Network Interface
UNI-C – User-to-Network Interface (Customer side)
UNI-N – User-to-Network Interface (Network side)

TDS Retail VoIP and/or Internet Subscriber served in conjunction with an Ethernet Access Partner:



Key:
CE – Customer Equipment (generic)
CPE – Customer Prem Equipment
INNI – Internal Network-to-Network Interface
NNI – Network-to-Network Interface (generic)
Partner CEN – Partner Carrier Ethernet Network
TDS CEN – TDS Carrier Ethernet Network
TDS Serving Area – The total footprint covered by combining the TDS CEN and a Partner CEN
UNI – User-to-Network Interface
UNI-C – User-to-Network Interface (Customer side)
UNI-N – User-to-Network Interface (Network side)